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SENIOR LEADER OF HAMAS AND TEXAS COMPUTER COMPANY INDICTED FOR CONSPIRACY TO VIOLATE U.S. BAN ON FINANCIAL DEALINGS WITH TERRORISTS

WASHINGTON, D.C. – Attorney General John Ashcroft announced today that a federal grand jury in Dallas has returned an indictment against a senior leader of Hamas, Mousa Abu Marzook, for conspiring to violate U.S. laws that prohibit dealings in terrorist funds.

The indictment, returned yesterday, alleges that Marzook conspired with the Richardson, Texas-based INFOCOM Corporation and five of its employees to hide his financial transactions with the computer company. In 1995, Marzook was designated as a terrorist whose actions threatened the Middle East peace process – a designation that made it illegal for any U.S. person or entity to conduct any transaction with Marzook. The indictment alleges that INFOCOM continued to engage in financial transactions with Marzook after his designation as a terrorist, in violation of the International Emergency Economic Powers Act (IEEPA).

In addition to Marzook and his wife, Nadia Elashi, the 33-count indictment charges the INFOCOM Corporation, along with INFOCOM Vice President Ghassan Elashi, who is also chairman of the Holy Land Foundation for Relief and Development, and four of his brothers, all employees of INFOCOM. Marzook, his wife, the five Elashi brothers and INFOCOM are charged with illegal exports, making false statements on export declarations, dealing in the property of a designated terrorist, conspiracy and money laundering. In addition, Ghassan Elashi and his brothers are charged with illegally selling computers and computer parts to Libya and Syria, both designated state sponsors of terrorism.

Ghassan Elashi, Bayan Elashi, Basman Elashi and Hazim Elashi were arrested in the Dallas area this morning. A fifth defendant, Ihsan Elashyi, is currently in federal custody on an unrelated charge. Marzook and his wife are living abroad and are now fugitives.

“The prohibitions of the United States against financial dealings with the supporters of terrorism are not window-dressing, nor are they idle threats,” said Attorney General Ashcroft. “They are the law. And we will enforce the law with diligence, fairness and dead certainty. Those who do business with terrorists will not remain free to enjoy the profits of the blood money they provide.”

According to the indictment, Marzook entered into a Murabaha agreement, or an Islamic contract, to invest \$250,000 in the name of Marzook’s wife, Nadia Elashi, a cousin of the Elashi brothers. The agreement, reached in or around March 1993, called for regular payments from INFOCOM based on the company’s net profit/loss. In August 1995, Marzook’s designation by

the President as a Specially Designated Terrorist made any financial transactions with Marzook illegal. The indictment alleges that Marzook, his wife, INFOCOM and the Elashi brothers conspired between August 1995 and July 2001 to renew the Murabaha agreement annually and make regular payments to Nadia Elashi, under the direction of Marzook and in violation of IEEPA.

The indictment also alleges that INFOCOM and the Elashi brothers sold computers and computer parts to Libya and Syria in violation of IEEPA. Both countries were designated by the Secretary of State as state sponsors of terrorism, and IEEPA makes it unlawful to export certain U.S.-origin technology, goods and commodities, including computers and computer components, to Libya and Syria without a license. According to the indictment, INFOCOM and the Elashi brothers sought to conceal the fact that shipments were ultimately destined for Libya by routing them through a shipping company in the countries of Malta and Italy, and falsely declared that the computer shipments to Syria did not require a license.

In December 2001, Attorney General Ashcroft joined President Bush and Treasury Secretary Paul O'Neill in announcing the terrorist designation of the Texas-based Holy Land Foundation for Relief and Development, the organization chaired by Ghassan Elashi, based on its longstanding association with Hamas – an organization that has claimed responsibility for terrorist attacks that have killed hundreds in Israel, the West Bank and Gaza, including two dozen Americans. At the time of that announcement, Ashcroft noted the close association between the Holy Land Foundation and INFOCOM. Today's announcement is the culmination of an investigation into INFOCOM, but an investigation into the Holy Land Foundation remains active and open.

"Financial support is the lifeblood of terrorist organizations like Hamas," stated U.S. Attorney Jane Boyle of the Northern District of Texas. "Anyone tempted to do business with these violent entities can expect to face the enormous power and commitment of the American law enforcement community."

The indictment announced today was part of a joint effort by the U.S. Attorneys Office for the Northern District of Texas, under the direction of U.S. Attorney Jane Boyle, and the Justice Department's Terrorist Financing Task Force, which is directed by Assistant Attorney General Michael Chertoff of the Criminal Division. Prosecutors and FBI agents worked with the U.S. Department of Commerce and several agencies from the FBI's North Texas Joint Terrorism Task Force in Dallas, including the Internal Revenue Service, the Immigration and Naturalization Service, the Secret Service, the Customs Service, the State Department and the police departments of Dallas, Addison, Plano and Richardson, Texas.

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